

The complaint

Mr A is unhappy that a payment he made to Vanquis Bank Limited wasn't credited to his account.

What happened

Mr A made a payment of £85 to his Vanquis credit account. But Vanquis didn't credit the payment to his account, and two weeks later the amount was returned by Vanquis to the account that Mr A had made the payment from. Mr A wasn't happy about this, especially as Vanquis considered Mr A to have not made the minimum monthly payment due on his credit account that month. So, he raised a complaint.

Vanquis responded to Mr A's complaint and explained that they didn't feel that they'd made any error or acted unfairly towards Mr A, and so didn't uphold his complaint. Mr A wasn't satisfied with Vanquis' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They noted that Vanquis had received the £85 payment Mr A had made, but that because Mr A had used an incorrect reference number on the payment, Vanquis hadn't been able to identify that the payment was from Mr A. And because our investigator felt that what had happened was the result of an error by Mr A, rather than any error by Vanquis, they didn't uphold the complaint. Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I note that Mr A has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr A for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in-line with this service's role as an informal, impartial dispute resolution service.

This means that if Mr A notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr A and Vanquis. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

It's evident from the information provided to this service that when Mr A instructed the payment to Vanquis from his bank, he included an incorrect reference number for the payment. Specifically, Mr A appears to have inputted his debit card number for the third-party bank account he made the payment to Vanquis from, rather than his Vanquis credit card number.

This is important because Vanquis, like many credit account providers, assign received payments to credit accounts on the basis of the Vanquis card number provided as a reference on the received payment. And because Mr A didn't input his Vanquis card number as the reference on the payment in question, this meant that Vanquis were unable to recognise to which account the received money should be allocated.

In short, Vanquis received £85, but they had no idea who it was from or to which account it should be allocated.

As alluded to above, Vanquis' process in this regard isn't unusual, and it's notable that Vanquis provide information to their account holders, including on every issued account statement, that when making a telephone or internet payment – as Mr A was in this instance – the sixteen-digit Vanquis card number must be used as a reference.

Accordingly, I'm satisfied that the reason that the payment Mr A made to Vanquis wasn't credited to his Vanquis account was because of an error that he made by inputting an incorrect reference number, which unfortunately meant that Vanquis didn't receive the necessary information with the received payment to allow it to be identified as having been received from Mr A or to be allocated to his account.

Finally, because Vanquis had received a payment that they weren't able to allocate to an account, they held the payment in a pending account for 14-days to allow the required information to be potentially provided to them. And, when Vanquis were still unable to allocate the payment to an account when that 14-day period ended, they returned it to the sending account – to Mr A's third-party bank account. And again, this process isn't unusual, and it doesn't seem unreasonable or unfair to me.

I realise this won't be the outcome Mr A was wanting here, but I'm satisfied that Vanquis haven't made an error or acted unfairly here, and it follows from this that I won't be upholding this complaint or instructing Vanquis to take any action. I hope that Mr A will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 May 2023.

Paul Cooper
Ombudsman